

Message Text

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ORIGIN NEA-10

INFO OCT-01 EUR-12 IO-13 ISO-00 CIAE-00 NSAE-00
NSCE-00 SSO-00 USIE-00 INRE-00 FEA-01 ACDA-07
AGRE-00 AID-05 CEA-01 CEQ-01 CG-00 COME-00
DLOS-09 DOTE-00 EB-08 EPA-01 ERDA-05 FMC-01
TRSE-00 H-01 INR-07 INT-05 JUSE-00 L-03 NSC-05
NSF-01 OES-06 OMB-01 PA-01 PM-04 PRS-01 SP-02
SS-15 /127 R

DRAFTED BY NEA/AFN:TWILKINSON:SLB
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-----302119Z 084266 /62

O 302024Z APR 77
FM SECSTATE WASHDC
TO AMEMBASSY TUNIS IMMEDIATE
INFO AMEMBASSY LONDON IMMEDIATE
AMEMBASSY PARIS IMMEDIATE
AMEMBASSY ROME IMMEDIATE
AMEMBASSY OSLO PRIORITY
AMEMBASSY TRIPOLI PRIORITY
AMEMBASSY VALLETTA PRIORITY
USMISSION USUN NEW YORK PRIORITY
SECDEF PRIORITY
CINCUSNAVEUR PRIORITY
EUCOM PRIORITY
USDOCOSOUTH PRIORITY

S E C R E T STATE 098421

E.O. 11652: GDS

TAGS: PFOR, PLOS, PBOR, LY, IT, TS

SUBJECT: TUNISIAN-LIBYAN CONTINENTAL SHELF DISPUTE;
DRILLING BY U.S. FIRM

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REF: (A) STATE 95427; (B) TUNIS 2994; (C) ROME 6910 (NOTAL)

1. FOLLOWING IS TEXT OF LETTER SENT APRIL 29 TO MR. W.D.
KENT, PRESIDENT OF READING AND BATES DRILLING COMPANY:
BEGIN QUOTE: PURSUANT TO OUR INQUIRIES, MR. WAYNE HILLIN,
COUNSEL TO YOUR FIRM, ADVISED US BY TELEPHONE ON APRIL 27
THAT READING AND BATES HAS CONTRACTED WITH THE LIBYAN

NATIONAL OIL COMPANY TO PROVIDE CERTAIN EXPLORATORY DRILLING SERVICES, AND HAS DISPATCHED THE RIG J.W. BATES TO BEGIN OPERATIONS AS EARLY AS LATE MAY AT 34 DEGREES, 01 MINUTE NORTH, AND 12 DEGREES 31 MINUTES EAST.

AS YOU MAY BE AWARE, THIS SITE IS LOCATED IN AN AREA OF THE CONTINENTAL SHELF THAT IS DISPUTED BETWEEN LIBYA AND TUNISIA. YOU MAY ALSO BE AWARE THAT THE DEPARTMENT OF STATE, AS A MATTER OF ESTABLISHED U.S. GOVERNMENT POLICY, HAS PREVIOUSLY URGED U.S. FIRMS TO POSTPONE THEIR PLANS FOR EXPLORATORY ACTIVITIES ON BEHALF OF THE GOVERNMENT OF TUNISIA IN DISPUTED AREAS OF THE SHELF UNTIL SUCH TIME AS THE GOVERNMENTS OF LIBYA AND TUNISIA HAVE AGREED ON DE-

LIMITATION, OR ON JOINT EXPLOITATION OF THE ILL-DEFINED AREA. THESE U.S. FIRMS HAVE RESPECTED OUR ADVICE, AND TO THE BEST OF OUR KNOWLEDGE NO U.S. FIRM OR SUBSIDIARY HAS, TO DATE, UNDERTAKEN DRILLING IN THIS DISPUTED ZONE.

ALTHOUGH YOUR FIRM HAS NOT FORMALLY REQUESTED OUR VIEWS, WE BELIEVE THAT YOU SHOULD BE ADVISED THAT U.S. GOVERNMENT POLICY REMAINS AS STATED PREVIOUSLY TO OTHERS, AND APPLIES EQUALLY TO U.S. FIRMS PLANNING TO OPERATE UNDER AGREEMENTS WITH LIBYA OR LIBYAN NATIONALS, AS IT DOES FOR TUNISIA AND ITS NATIONALS.

IT IS ALSO RELEVANT TO NOTE THAT TUNISIA AND LIBYA ISSUED A JOINT COMMUNIQUE ON AUGUST 24, 1976, EXPRESSING THEIR COMMON CONSENT TO SUBMIT THE PROBLEM OF DELINEATING THE
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CONTINENTAL SHELF TO THE INTERNATIONAL COURT OF JUSTICE, AND IN THE MEANTIME TO CONTINUE CONSULTATIONS "WITH A VIEW TO FINDING AN INTERIM FORMULA TO EXPLOIT IN COMMON THE PORTION OF THE CONTINENTAL SHELF UNDER DISPUTE..." NATURALLY, WE WOULD HOPE THAT NEITHER THE U.S. NOR ITS NATIONALS WOULD BEAR RESPONSIBILITY FOR IMPEDING THE IMPLEMENTATION OF THIS AGREEMENT, OR OF OTHER EFFORTS TO REACH A PEACEFUL SOLUTION.

THE UNITED STATES GOVERNMENT HAS IN THE PAST MADE SIMILAR RECOMMENDATIONS REGARDING PROPOSED EXPLORATION ACTIVITIES BY U.S. COMPANIES IN OTHER DISPUTED CONTINENTAL SHELF AREAS, AND WE CONTINUE TO DO SO AS A MATTER OF STANDING WORLDWIDE POLICY.

WE TAKE THIS POSITION IN THE BELIEF THAT IT IS INADVISABLE FOR U.S. FIRMS AND INDIVIDUALS, INCLUDING CREWS OF DRILLING VESSELS UNDER U.S. REGISTRY, TO RISK INVOLVEMENT IN CONTINENTAL SHELF DISPUTES IN WHICH THE U.S. IS NOT A PARTY.

WE MUST CONSIDER THE POSSIBILITY OF SERIOUS LOSSES, BOTH IN TERMS OF EQUIPMENT AND HUMAN LIFE, AND THE INABILITY OF THE U.S. GOVERNMENT TO OFFER PROTECTION OR OBTAIN REDRESS IN THE EVENT OF ADVERSE ACTION BY EITHER PARTY TO THE DISPUTE. IN THIS INSTANCE, THE VERY REAL POSSIBILITY OF AN INCIDENT IS INDICATED BY REPORTS WE HAVE RECEIVED THAT MILITARY VESSELS OF THE PARTIES TO THE DISPUTE HAVE BEEN SEEN FREQUENTLY IN THE AREA OF THE ITALIAN RIG SCARABEO IV, WHICH IS IN THE SAME IMMEDIATE AREA AS THE PROPOSED DRILLING SITE FOR THE J. W. BATES.

THE U.S. GOVERNMENT WOULD HAVE NO RESERVATIONS SHOULD READING AND BATES CARRY OUT EXPLORATORY ACTIVITIES IN THIS AREA WITH THE AGREEMENT OF BOTH THE TUNISIAN AND LIBYAN GOVERNMENTS. SIMILARLY, WE WOULD HAVE NO RESERVATIONS TO

ANY SUCH ACTIVITIES ON THE LIBYAN SHELF WHICH ARE CLEARLY
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OUTSIDE OF THE DISPUTED AREA.

I HOPE THAT THE ABOVE INFORMATION WILL SERVE AS USEFUL GUIDANCE TO YOUR FIRM AND TO THOSE PARTIES WITH WHICH YOUR FIRM IS ASSOCIATED. SINCERELY, NICHOLAS A. VELIOTES, DEPUTY ASSISTANT SECRETARY, BUREAU OF NEAR EASTERN AND SOUTH ASIAN AFFAIRS. END QUOTE.

2. COPY OF LETTER ALSO SENT TO PRESIDENT OF PARENT COMPANY READING AND BATES OFFSHORE DRILLING COMPANY, MR. C.E. THORTON, IN TULSA OKLAHOMA.

3. TAKING INTO ACCOUNT CONSIDERATIONS IN REF B, YOU SHOULD PROMPTLY ADVISE TUNISIANS OF FACTS GIVEN IN REF A AND EFFORTS USG HAS ALREADY MADE TO DISSUADE FIRM, INCLUDING ABOVE LETTER.

4. TUNISIAN AMBASSADOR HEDDA HAS REQUESTED APPOINTMENT TO SEE ASST SECRETARY ATHERTON EARLY IN WEEK OF MAY 2. WE WILL PROVIDE FURTHER GUIDANCE AT THAT TIME.

5. FOR LONDON: CONCUR IN REF B PROPOSAL THAT EMBASSY INQUIRE DISCREETLY WITH LLOYDS ABOUT INSURANCE.

6. FOR ROME: YOU MAY DRAW ON ABOVE IN FURTHER DISCUSSIONS WITH GALLI.
CHRISTOPHER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Control Number: n/a
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Sent Date: 30-Apr-1977 12:00:00 am
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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
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Litigation History:
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Subject: TUNISIAN-LIBYAN CONTINENTAL SHELF DISPUTE; DRILLING BY U.S. FIRM SECRET
TAGS: PFOR, PLOS, PBOR, LY, IT, TS
To: TUNIS
Type: TE
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